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AN INDEPENDENT NEWSPAPER

Making Sense of Montgomery County's Budget

In Montgomery County, some folks argue that the county executive's budget, with nearly a 10 percent increase in spending, is untouchable [Metro, May 3].

Others focus on abiding by the charter limit, which says the amount of property taxes that the county can levy is limited to the previous year's take plus inflation — unless seven of nine members of the county council vote to exceed that limit. A middle course makes the most sense.

The county executive's \$3.7 billion budget contains worthwhile initiatives, but does the county really need a new higher education adviser to the executive at an annual salary of \$150,000? And the proposed five-

year expansion of our police force by 250 officers — or 22 percent — carries considerable costs far into the future. But to lower property taxes to reach the charter limit will require cuts of more than \$60 million from the executive's budget. His proposed budget now includes a two-cent reduction in the property tax rate.

We need more across-the-board property tax relief than that, and we should also target those who need it most: homeowners on fixed incomes with limited assets. We can do this by expanding our homeowners' tax credit program to provide relief to those who need it most.

We cannot afford to sacrifice our hard-earned gains in public educa-

tion, access to health care, affordable housing and traffic congestion relief to a quick-fix tax cut. But neither can we expect all county residents to afford annual double-digit property tax increases.

A balanced approach of spending cuts, across-the-board property tax relief and targeted property tax cuts are the best ingredients for this year's county budget stew.

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In 1990 Montgomery County voters approved a charter limit, which caps the amount of property tax revenue that the county may collect from one year to the next at the rate of inflation (new construction is exempt). It also included a provision that allows the council to override the limit if seven of nine members vote to do so.

For the past three years, the council has overridden the limit, in part because of lower income tax revenue and significant reductions in state aid. This year, however, income tax revenue is healthy, and state aid is up 12 percent. Yet some council members still want to override the limit. Abiding by the limit, however, would provide significant property tax relief to all homeowners. The owner of a home assessed at \$400,000 would save more than \$300.

The council took a step backward on budgetary restraint on April 26 when it approved an unnecessarily generous labor contract for firefighters. This contract will cost the county \$40 million more during the next three years, and it includes pay increases that, combined with annual step increases of 3.5 percent, will average 8 percent a year for most firefighters. It also allows retirement at 20 years (down from 25).

The council is working on paring the county executive's proposed budget, which is 9.6 percent larger than this year's and which exceeds the charter limit by \$67 million. However, only five members have expressed support for abiding by the charter limit, which would still result in a budget increase of 7 percent.

The council needs to scale back the fiscal 2006 budget and adhere to the charter limit. Taxpayers' trust in the council hangs in the balance.

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